



VIETNAM RESOURCE INVESTMENTS

Monthly Update

September 2007

VRI closes an investment in Tiberon

We are pleased to report that VRI's first investment into Tiberon Minerals was closed as of the end of September. VRI exercised part of its option to purchase an interest of 36.0% in the indirect holding company of Tiberon from Dragon Capital's equity funds for a cash payment of US\$100m. This valued that holding company, VRICL, at US\$277.55m, reflecting the tender offer price for Tiberon, subsequent FX movements, the transaction costs for the acquisition (US\$1.4m), plus a 5% premium.

Tiberon Update

One of the tasks which is simple to express but complex in its execution has been that of extracting ownership of Tiberon's 70% interest in the underlying Nui Phao JV from that of a Canadian registered company and relocating it to a Singapore-registered Tiberon vehicle. The first part of this restructuring concluded in September, bringing the longer term goal closer of optimizing the company's tax efficiency.

A range of further value-adding initiatives in relation to Tiberon are also advancing satisfactorily with both technical and financial reappraisals of past assumptions underway, including potential re-optimisation of the project mining plan. This is particularly pertinent given the strength of the company's commodities since the last resource appraisal which was made in 2003. At the project level, steady progress continues with Ausenco nearing completion of the project's detailed engineering and procurement. The relocation of families from the project area is ongoing, and receiving the continued support of both provincial and central authorities.

Mineral sector developments

Vietnam's mineral sector has received further international support in the past month with the signing of a key agreement with Citigroup during a visit by Prime Minister Nguyen Tan Dung to New York at the end of September.

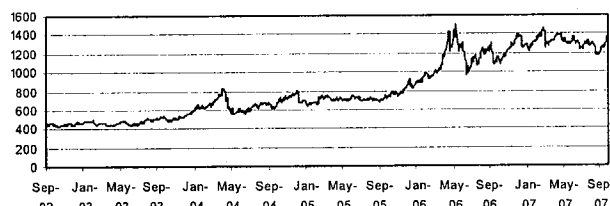
In this, the country's main state-owned mining company, Vietnam Coal and Mineral Group (Vinacomin), concluded arrangements which should enable it to advance with the development of one of the two bauxite mining projects in the Central Highlands province of Lam Dong. This included funding for an aluminium processing plant and an associated power station.

As part of the agreement, Citigroup will also act as advisor to Vinacomin for its debut local bond issuance. The proposed financing will enable Vinacomin to diversify its finance sources for the project which is eventually expected to become a US\$2 billion bauxite mining and alumina project with planned production capacity of some 4m tpa.

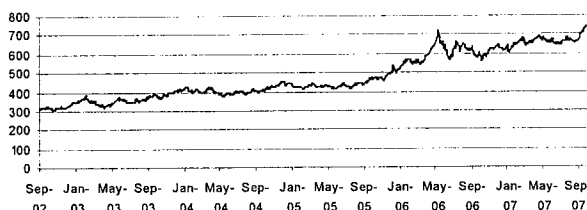
Key Commodity Price Changes

	Av. price as at 30th Sept 2007 (US\$)	Change (%)			
		Monthly	YTD	3 yr	5 yr
Tungsten (APT)	\$244.5/MTU	2.5%	-	171.7%	379.4%
Bismuth	\$14.75/lb	-13.9%	85.5%	327.5%	408.6%
Fluorspar (acidspar)	\$228/tonne	-	22%	66%	98%
Nickel	\$31,025.5/tonne	4.7%	-4.2%	109.9%	397.0%
Copper	\$8,160/tonne	7.5%	30.1%	168.9%	454.1%
Silver	1365 cents/troy oz	14.2%	4.9%	109.0%	201.3%
Gold	\$743/troy oz	10.5%	16.1%	79.9%	129.5%

Average silver prices (cents/ troy oz), Sept 2002-07



Average gold prices (\$/troy oz), Sept 2002-07



	NAV/share as at 28 Sep 2007	Change (%)		Price as at 28 Sep/ 2007	Change (%)		Issued Shares	Net assets as at 28 Sep/ 2007	Bloomberg	Reuters
		Monthly	YTD		Monthly	YTD				
VRI	US\$10.325	3.07	3.25	\$10.00/10.40	1.00	1.00	19,000,000	\$196.175m	VIETRES	VIET

FURTHER INFORMATION

We would be delighted to receive any questions or input from you and can best be contacted on resources@dragoncapital.com.

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VIETNAM RESOURCE INVESTMENTS

Factsheet

Investment Objective and Strategy

To seek long-term capital appreciation by investing in securities of companies, listed or unlisted, which have significant operations in the natural resources sector in Vietnam, as determined by the Investment Manager.

Investment Manager

VRI is managed by Dragon Capital Management which is the most experienced and best-performing asset manager focused on Vietnam. The firm was established in Vietnam in 1994 and now manages some US\$2 billion on behalf of prominent global institutions. Dragon Capital is 10% owned by the IFC and 5% by Proparco, the French developmental agency. It has some 70 employees.

Directors

The VRI board comprises John Shrimpton and David Woodhouse from the Investment Manager; Sean Flynn of the Cayman Islands and John Catchpole, formerly CEO of one of the world's largest tungsten companies, as independent directors; and two investor representatives nominated by its largest shareholders.

Advisory Board

Dr Marc Faber acts as advisor to the Investment Manager

Valuation

Unlisted assets independently valued on a quarterly basis by specialist industry consultants; listed assets at market prices

Distributions

Dividends foregone in favour of re-investment, but investment sales proceeds may be distributed at discretion of VRI Board.

Dealing

VRI shares trade OTC on a matched market basis, principally through Dragon Capital Markets, clearing through both Euroclear and Clearstream and settled through HSBC Securities Asia (Euroclear no. 10280). Other price providers also participate.

Exit Strategy

Exit will be via cashflow returns, industry sales, or IPOs from holdings. The duration of the company is unlimited, though wind-up votes will be held biennially from 2021.

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Fund Information

	R Shares
Market Cap.	US\$190m
NAV/ share	US\$10.325
Prices	US\$10.00/10.40
Issued Shares	19,000,000
Launched	May 07
Dividend/share	n/a
ISIN code	KYG9362V1077
CUSIP no.	G9362V 107

	Bloomberg	Reuters
Dragon Capital	VIETRES	VIET
JP Morgan	RFSN (page 6)	RSJA 62
CLSA	CLCF <go> Vietnam	CLSA 64
LCF Rothschild	LCFR	LCFR03

Structure

Listed	Luxembourg Stock Exchange
Format	Cayman registered closed-end fund
NAV	Calculated monthly at month end
Year End	30th June

Fees

Management Fee:
2% p.a. of NAV, paid monthly

Performance Fee:
20% of gains over 8% hurdle rate with a high water mark applying.

Establishment Costs:
Limited to \$0.2m per share class

Legal Advisors

Freshfields Bruckhaus Deringer – Vietnam

Borden, Ladner, Gervais— Canada

Charles Adams, Ritchie & Duckworth- Cayman Islands

Auditors

KPMG – Hong Kong

Custodian

HSBC Institutional Trust Services (Asia) Limited-Hong Kong

Listing Agent

HSBC Securities Services (Lux) S.A.

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